

AID TO GREECE

*Agreement signed at Athens June 20, 1947; exchange of notes at Athens
May 26 and June 15 and 18, 1947
Entered into force June 20, 1947*

61 Stat. 2907; Treaties and Other
International Acts Series 1625

AGREEMENT ON AID TO GREECE

The Government of the Kingdom of Greece having requested the Government of the United States of America for financial, material and technical assistance to avert economic crisis, promote national recovery, and restore internal tranquillity; and

The Congress of the United States, in the Act approved May 22, 1947,¹ having authorized the President of the United States to furnish such assistance to Greece, on terms consonant with the sovereign independence and security of the two countries; and

The Government of Greece, in a note to the Government of the United States of June 15, 1947 having proposed certain measures within Greece which it deems essential to the effective use of United States assistance and of Greece's own resources in promoting reconstruction and recovery in Greece as soon as possible; and

The Government of the United States and the Government of Greece believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations² and will further strengthen the ties of friendship between the American and Greek peoples:

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

ARTICLE 1

The Government of the United States will furnish the Government of Greece such assistance as the President of the United States may authorize to be provided in accordance with the Act of Congress approved May 22, 1947, and any Acts amendatory or supplementary thereto.

¹ 61 Stat. 103.

² 59 Stat. 1031; TS 993.

ARTICLE 2

The Government of Greece will make effective use of any assistance furnished to Greece by the United States and of Greece's own resources in order to advance reconstruction and secure recovery in Greece as soon as possible. To this end the Government of Greece has already undertaken, and hereby agrees, to effectuate the measures proposed in its note of June 15, 1947 to the Government of the United States and will take such further action as may be appropriate.

ARTICLE 3

The Government of the United States will send to Greece a mission to be known as the American Mission for Aid to Greece (hereinafter referred to as the American Mission). The Chief of the American Mission designated by the President of the United States will represent the Government of the United States on matters relating to the assistance furnished under this Agreement.

ARTICLE 4

The Chief of the American Mission will determine, in consultation with representatives of the Government of Greece, the terms and conditions upon which specified assistance shall from time to time be furnished under this Agreement. Under the direction of the Chief, the Mission will provide such advisory assistance and will exercise such functions as are necessary and proper to assist the Government of Greece to make the most effective use of any assistance furnished to Greece by the United States and of Greece's own resources and thereby to advance reconstruction and secure recovery in Greece as soon as possible. Certain of these functions are contained in the measures proposed by the Government of Greece in its note of June 15, 1947.

ARTICLE 5

The Government of Greece will furnish all practicable assistance to the American Mission to facilitate the performance of its functions, the movement of Mission personnel to, in or from Greece, the employment of Greek nationals and residents, the acquisition of facilities and services, and the performance of other activities of the Mission. The personnel of the American Mission and the property of the Mission and of its personnel shall enjoy in Greece the same privileges and immunities as are enjoyed by the personnel of the United States Embassy in Greece and the property of the Embassy and of its personnel.

ARTICLE 6

The Government of Greece will permit the members of the American Mission to observe freely the utilization of assistance furnished to Greece by the United States. The Government of Greece will maintain such accounts

and records, and will furnish the American Mission such reports and information, as the Mission may request for the performance of its functions and responsibilities.

ARTICLE 7

The Government of Greece and the Government of the United States will cooperate in assuring the peoples of the United States and Greece full information, consistent with the security of the two countries, concerning the assistance furnished to Greece by the United States. To this end—

(1) Representatives of the press and radio of the United States will be permitted to observe freely and to report fully regarding the utilization of such assistance; and

(2) The Government of Greece will afford the American Mission opportunity for, and will cooperate with it in providing, full and continuous publicity within Greece, including periodic reports by the Mission, as to activities under this Agreement and the purpose, source, character, scope, amounts, and progress of such assistance.

ARTICLE 8

The Government of Greece will make such provisions as may be required by the President of the United States for the security of any article, service, or information received pursuant to this Agreement. It will not transfer, without the consent of the President of the United States, title to or possession of any such article or information nor permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Government of Greece or for any purpose other than that for which the article or information is furnished.

ARTICLE 9

The Government of Greece will not use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this Agreement for the making of any payment on account of the principal or interest on any loan made to it by any other foreign government.

The Government of Greece will not, except with the approval of the Government of the United States, allocate any funds or make available any foreign exchange for payment of principal or interest on the foreign indebtedness now in suspense of the Government of Greece and of all public and private debtors.

ARTICLE 10

Any or all assistance authorized to be provided pursuant to this Agreement will be withdrawn—

(1) If requested by the Government of Greece representing a majority of the Greek people;

(2) If the Security Council of the United Nations finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly of the United Nations finds that action taken or assistance furnished by the United Nations make the continuance of assistance by the Government of the United States pursuant to this Agreement unnecessary or undesirable;

(3) Under any of the other circumstances specified in section 5 of the aforesaid Act of Congress or if the President of the United States determines that such withdrawal is in the interest of the United States; or

(4) If the Government of Greece does not take reasonable steps to effectuate those measures proposed in its note of June 15, 1947 or subsequently agreed upon which are essential to reconstruction and recovery in Greece.

ARTICLE 11

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

ARTICLE 12

This Agreement shall be registered with the United Nations.

Done in duplicate, in the English and Greek languages, at Athens, this 20th day of June, 1947.

For the Government of the United States of America:

LINCOLN MACVEAGH [SEAL]
*Ambassador Extraordinary
 and Plenipotentiary*

For the Government of the Kingdom of Greece:

CONSTANTINE TSALDARIS [SEAL]
*Deputy Prime Minister and
 Minister for Foreign Affairs*

EXCHANGE OF NOTES

The American Ambassador to the Vice Premier and Minister of Foreign Affairs

AMERICAN EMBASSY

Athens, Greece, May 26, 1947

No. 230

EXCELLENCY:

I have the honor to inform Your Excellency that I have been instructed to convey to the Greek Government the following communication from the Government of the United States.

"In response to an appeal by the Greek Government in its Note of March 3, 1947 to the Government of the United States, and through it to the American people, for financial, economic, and expert aid to assist the Greek people in restoring their country, the President of the United States on March 12, 1947 requested from the Congress the necessary authority to permit him to extend the help requested.

"The Government of the United States now informs the Greek Government that the President has been authorized to extend assistance to Greece under the provisions of an Act of Congress signed May 22, 1947.

"The Government of the United States will welcome an indication from the Greek Government of its general recovery program and assurances that the proffered assistance will be effectively utilized. This Government will also welcome assurances from the Greek Government that it is prepared to enter into negotiations leading to a mutually acceptable agreement between the two Governments on the terms under which American aid will be extended."

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

LINCOLN MACVEAGH

His Excellency

CONSTANTINE TSALDARIS

*Vice Premier and Minister for Foreign Affairs
Athens*

*The Vice Premier and Minister of Foreign Affairs to the American
Ambassador*

THE MINISTRY FOR FOREIGN AFFAIRS

No. 29824

ATHENS, June 15, 1947

YOUR EXCELLENCY:

By your note No. 230 of May 26, 1947 you were good enough to inform me that, in response to an appeal by the Greek Government in its note of March 3, 1947 to the Government of the United States and through it to the American people, for financial, economic and expert aid to assist the Greek people in restoring their country, the President of the United States has been authorised to extend assistance to Greece under the provisions of an act of Congress signed May 22, 1947.

In reply, I have the honour to request that you be kind enough to convey to the United States Government the following communication from the Greek Government:

The hearts of the Greek people are profoundly touched by this proof of the generosity and good will of the American people and of the benevolent

interest of a great and friendly nation in the welfare of Greece. The Greek Government on its own behalf and on behalf of the Greek people, wishes to express its deepest appreciation for this magnanimous response to the request of the Greek Government and takes this opportunity to repeat that it turned to the United States for aid only because the devastating results of the war were such as to render impossible the enormous task of reconstruction with the resources remaining to Greece after years of conflict and enemy occupation.

The Greek Government wishes to give assurances that any assistance it may receive will be used in conformance with the purposes for which it may be made available. Aid given for military purposes will be used in the restoration and maintenance of internal order. Aid furnished for the economic recovery and physical reconstruction of the country will be expended in a manner which will have a lasting beneficial effect on the country as a whole.

The Greek Government also wishes to make known at this time its own plans for action which will lay a basis for American assistance in Greek recovery and reconstruction. The Greek people realize that ultimate solution of their problem requires great and continuous effort by themselves. They are aware that the extensive aid of the United States will not alone be sufficient to meet the large costs of restoring public order and reconstructing productive facilities over a period of years. The Greek Government will lead its people in their effort to achieve these ends. This responsibility entails the composing of internal differences, the collection of more revenues, the rebuilding of foreign trade, the conservation of foreign exchange, the reconstruction of public works, the improvement of Government administration, assistance and guidance to agriculture and industry, establishment of protective labor measures, encouragement of democratic organizations among economic and social groups, measures to control inflation and assure equitable distribution of supplies and services, and the restraint of excesses and extravagances on the part of any segment of the population. The Greek Government will undertake these and all other necessary measures to marshal Greece's own resources to the fullest extent in attaining the ends for which American assistance may be extended. This organization of Greek effort will require economic contributions and cooperation from all.

The Greek Government is ever mindful that primary responsibility for the economic welfare of the country rests with the Greek Government, and it is therefore proceeding with plans for the early institution and vigorous administration of those measures which will enable full use of capital, productive facilities, manpower resources and natural wealth to be found in Greece. Certain measures proposed by the Greek Government are stated in general terms in this note, these and other measures will be developed further after consultation with American advisers.

In order to achieve budgetary balance and economic stability at the earliest possible time the Greek Government will undertake to rehabilitate its national and local revenue system by all necessary measures including the modernization of tax administration, elimination of tax evasion and the use of every practicable source of revenue. Full regard will be given to equitable distribution of the tax burden and to the principle of ability to pay. Measures will be taken to control and curtail expenditures of the Government. The Government audit and accounting system will be strengthened, and the budget will be published and used as an effective control of expenditures.

With a view to steadily increasing the ratio of official acquisitions of foreign exchange to import requirements, a program will be undertaken to increase the amounts of foreign exchange coming into the Greek economy through normal commercial channels. Vigorous efforts to increase exports, including the resumption of the export of olive oil and the rebuilding of foreign markets, will be made. Measures will be adopted to assure the operation of Greek shipping in a manner which will provide the greatest benefit for the national economy. Existing regulations on the import and export of foreign exchange will be enforced and strengthened by all possible means. To make the most effective use of available exchange, imports will be limited to those which are essential to the Greek economy, and they will be brought in as an integral part of a national import program which includes goods purchased with American aid. The planning and supervising of the administration of the program of public and private imports and exports will be centralized in a foreign trade committee comprising Greek and American technicians and headed by an American in the employ of the Greek Government. To guard against further inflation, a vigorous program will be undertaken to hold down prices and to establish an equitable relation between prices and wages. As further deterrents to inflation, rent control and rationing of commodities will be continued and controls on credit and banking will be instituted.

The agricultural and industrial production of the country will be increased by Government guidance and financial assistance. Unduly restrictive taxes, detrimental employment practices and monopoly regulations will be reexamined and all unnecessary deterrents to production eliminated. To this end the Greek Government will encourage increased labor productivity while fostering the right of workers to organize and join free democratic labor unions and to engage in activities to promote their mutual protection and economic status.

In order to fill its increasingly active role in guiding the recovery and reconstruction efforts during the American aid program, the Government will undertake an extensive program to improve its governmental organizations and civil service, which were so disrupted by the long years of war.

The Greek Government wishes to take this opportunity to renew its request to the United States Government for American personnel who can

assist in the Greek recovery effort, including a special American Mission to administer the extension of American aid, observe its use by the Greek Government and advise the Greek Government. In order to expedite recovery in Greece and because of the large financial contribution of the United States to Greece, the Mission should participate in the development of revenue and expenditure policies, approve Government expenditures for activities which directly or indirectly involve the use of American aid, take part in the planning of the import program, and approve the use of foreign exchange. The Greek Government would also wish the Mission to assist in the execution of reconstruction projects, improvement of public administration, technical training of civil servants and other personnel, continuation of the health program, development of exports, programming and disposition of Government purchased supplies, promotion of agricultural and industrial recovery, and regulation of wages and prices. In general, the Greek Government will wish to consult with the Mission before taking any economic steps which might affect the success of the American aid program.

In addition to the members of the Mission who will act as representatives of the United States Government, the Greek Government wishes the assistance of the United States Government in employing a limited number of American experts to act in technical and supervisory capacities within the Greek Government. The Government will continue a currency committee consisting of Greeks and foreign experts with functions modified to fit in with those of the American Mission. As mentioned above, a Foreign Trade Administration headed by an American technician is also planned.

In the light of the recent legislation by the Congress of the United States and of the views expressed by the United States Government in its Note No. 230 of May 26, 1947, it is suggested that the two Governments should enter into a formal agreement on these matters.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

C. TSALDARIS

His Excellency

MR. LINCOLN MACVEAGH

*Ambassador of the United States of America
Athens*

The American Ambassador to the Vice Premier and Minister of Foreign Affairs

AMERICAN EMBASSY

ATHENS, GREECE

June 18, 1947

No. 296

EXCELLENCY:

I have the honor to refer to Your Excellency's Note No. 29824 of June 15, 1947 and, acting on instructions, to convey to the Royal Hellenic Government the following message from the Government of the United States of America:

"The Government of the United States acknowledges the Note of the Greek Government of June 15, 1947, setting forth in general terms the Greek Government's recovery program.

"This Government notes with satisfaction the assurances of the Greek Government that American aid will be effectively utilized in accordance with the purpose for which it is being extended. This Government also welcomes the assurances of the Greek Government that it is prepared to enter into negotiation leading to a mutually acceptable agreement on the terms under which this aid will be extended and has authorized the American Ambassador in Greece to negotiate such an agreement with the Greek Government."

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

LINCOLN MACVEAGH

His Excellency

CONSTANTINE TSALDARIS,

*Vice Premier and Minister for Foreign Affairs,
Athens.*